

12. Then what was said between you and Mr. Douglas about the sale of Pomahaka?—He consulted us, after receiving the Government's offer.

13. Had you no conversation with him before then?—We had nothing to do with the dealing with the Government. I have no recollection of any special conversation in regard to his negotiation with the Government.

14. Do you remember anything about a petition?—Yes.

15. Tell us what you know about that in connection with your firm?—Mr. Douglas had prepared a petition, which he asked us to allow our type-writer to print for him, and we did so at his request. This petition, I might say, I never read until I was coming up in the steamer on Saturday.

16. Why was it sent to you to have that done?—He knew, probably, that we had a type-writing machine, and he simply asked us on that account to allow our type-writer to print it.

17. Did you know then that he proposed to sell to the Government?—Yes.

18. When would that be?—In August or July.

19. *Mr. Scobie Mackenzie.*] What; when he wished the petition to be type-written?—The request is in Mr. Douglas's letter of the 29th July. [Letter put in and read: Appendix A15.]

20. The petition was type-written and sent to Mr. Turnbull?—That is so. [Copy of memorandum to Mr. Turnbull read: Appendix A16.]

21. After that, what happened, so far as you know, in connection with this matter?—The next stage, so far as I remember, is Mr. Douglas consulting us in regard to the offer which the Government had made.

22. What advice did you give him?—We strongly urged him to accept the Government's offer.

23. Why did you do so?—We knew, as a matter of fact, that it would be better for us to get our money promptly than to have the property cut up in detail.

24. You are not bankers?—We are not bankers. We had arranged that that property was to be dealt with otherwise, failing a sale to the Government by the 29th of October.

25. Was Mr. Douglas anxious to take the Government's offer?—No, he maintained that the property was of much higher value.

26. What is your opinion as to the full value of the land?

27. *An Hon. Member.*] Did you ever see it?—No, I never saw it.

28. *Dr. Fitchett.*] What is your opinion as to the Government price?—It was, we thought, a fair offer, taking all things into consideration; besides, it was a cash offer, which was an important consideration.

29. Did you consider it an excessive offer?—No, we did not.

30. Suppose it had been cut up into sections, and sold by Mr. Douglas, would you get the cash?—No, we would not have got the cash.

31. The terms, then, would not have been cash?—No.

32. You say you wanted cash?—Yes, we wanted cash. The advance we had made to Mr. Douglas was only a temporary one.

33. So you advised him to accept the offer?—Yes.

34. Then, after that?—We learnt subsequently from Mr. Douglas that he had accepted the offer of the Government.

35. Had you anything further to do with this except receiving the money?—No.

36. Nothing?—We had asked Mr. Douglas once or twice when we were likely to get settlement.

37. With a view to get him to hasten it, I suppose?—Yes.

38. When was the sale made?—We have no record when the sale was made.

39. Did you bring any influence to bear on any one to induce the Government to purchase?—None whatever.

40. Were you in communication with the Minister?—No.

41. Or with the department?—No.

42. Directly or indirectly?—No.

43. Did your firm receive a consideration for the sale?—Yes.

44. From whom?—From Mr. Douglas; we would not have advanced the money without. That was our consideration for the advance.

45. *Sir Robert Stout.*] You have the agreement there?—Yes. Failing the sale to the Government we were to proceed to cut up the property, as provided in the agreement.

46. What is the date of the agreement?—29th August. [Agreement read: Appendix A17.]

47. Well, that formal document was the result of previous negotiations?—Yes; we had to put these into business-like shape.

48. So that what he was to pay you was not for your exertions with the Government, but only for the advance you made him?—For the advance.

49. You did nothing to promote this sale?—Nothing whatever.

50. *Dr. Fitchett.*] You are familiar, I suppose, with the correspondence which appeared in the Otago papers on this subject?—I read most of it.

51. What conclusion did you draw from what you read in the papers about the Minister of Lands?—That it implied that he had been "got at" in some way.

52. Did you infer that it was implied that he had been guilty of a job himself?—I did; that the whole thing was a dishonest transaction.

53. To which he was a party?—Yes.

54. That was the general impression in Otago, as far as you could judge?—Pretty general, I should say.

55. *Mr. Scobie Mackenzie.*] Are the papers relating to your connection with these transactions